



Education
Funding
Agency

Submitting your audited accounts

Guide for all academy trusts

November 2015, updated 16 December 2015

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Introduction

This guide explains how to submit your academy trust's audited accounts and auditor's management letter to the Education Funding Agency (EFA). This includes completing an online form – the accounts submission coversheet – first introduced last year.

We have included more instructions in this year's guide to help you navigate the coversheet as it is important you provide us with accurate information. We use information from your audited accounts and auditor's management letter to understand any significant issues faced by your trust and by the sector more widely. This is part of our assurance framework for the use of public money.

We expect additional benefits for you: as well as being able to provide more timely feedback on our findings, both to your trust and to the sector more widely, you may find a saved copy of your submitted coversheet useful to give to your board of trustees as it provides a useful summary and highlights key areas of interest.

We have designed the coversheet to be as simple as possible to minimise its impact, in consultation with the [Academies Finance and Assurance Steering Group](#) and its working groups.

Academies accounts direction requirements

The [Academies Accounts Direction](#) sets out what is expected from academy trusts. This includes:

- what documents must be submitted
- what information these documents must include
- which trusts are in scope
- the submission timetable

When we issued the accounts direction in June 2015, we said we would confirm submission arrangements nearer the 31 December deadline.

Submission arrangements

Submission is in two parts:

1. Completing the [accounts submission coversheet](#)
2. Submitting your audited accounts and auditor's management letter via Document Exchange

You should submit your coversheet, audited accounts and auditor's management letter at the same time and by the deadline of 31 December 2015.

Please note that your audited accounts are not the same as your [accounts return](#). Details for the submission of your accounts return have been published separately.

Accounts submission coversheet

You will need to complete an [accounts submission coversheet](#) when submitting your trust's audited accounts and auditor's management letter. You will find it helpful to have your audited accounts and auditor's management letter to hand when completing it. Further guidance on how to complete the coversheet is set out [below](#).

Document Exchange

EFA's Information Exchange is a secure, online system that provides a single place for academies, 16 to 19 providers, high needs providers and local authorities to do business with EFA in a more effective and efficient way.

Document Exchange is a facility within Information Exchange which allows secure upload and download of documents specific to your institution.

On completing the online coversheet, you will be given a link to Document Exchange, which is the only submission route for your audited accounts and auditor's management letter.

Please note that auditors are not able to access Document Exchange. You will need to coordinate receipt of your audited accounts and auditor's management letter from your auditor so that you can submit them on time.

Further guidance on submission, including the required naming convention, is set out [below](#).

Accounts submission coversheet

Part 1: Access and navigation

Before you access the coversheet

Ensure your web browser (the software you use to access the internet) is the latest version available. Using an outdated browser may mean the coversheet will not display correctly. You can find more information on upgrading your browser on [gov.uk/help/browsers](https://www.gov.uk/help/browsers).

Access

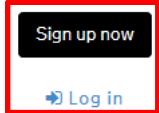
You can access the coversheet on our [online forms site](#).

Registering and logging in

If you haven't previously used one of our online forms then the first time you access the accounts submission coversheet you should register and log in. You will need to create a password when you register through 'Sign up now'.

Before you begin

Sign up for an account with the Department for Education. Creating an account will save you time as it will allow the system to auto-complete your contact information when completing forms. It will also give you the ability to save information at any point.



[Sign up now](#)
[Log in](#)

or, continue without an account

Although we would not recommend doing so, you can complete and submit the form without an account. If you choose this option you will not be able to save your progress.

Moving around the coversheet

You can use the tab key on your keyboard to move to the next question once you have completed your response, or you can click through the form using your mouse.

To make sure you don't lose any information when moving between sections, you should fill in each section in sequence and select 'Continue' when complete.

A screenshot of a software interface. At the top left is a green 'Continue' button with white text. At the top right is a grey 'Cancel' button with black text. The background is a light grey form with some faint text and icons.

You should not use the back arrow in your browser. You can also move between sections by selecting the appropriate tab at the top of the screen.

A screenshot of a software interface showing five tabs at the top: '1. Organisation details', '2. Audit findings', '3. Financial assessment', '4. Specific areas of interest', and '5. Your details'. The first tab is highlighted with a red box and has a blue underline. Below the tabs, the title 'Academy trust accounts submission coversheet 2014 to 2015' is displayed in large, bold, black font.

Occasionally, when information is processing / uploading, you may experience some delay in moving from screen to screen. Please wait for the screen to load; you will receive an error message if there is a problem.

Exiting the coversheet

If you have logged on you can exit the coversheet at any time before submission. You will have to use your login details when you re-enter the system, but the information you have entered will be saved and you can continue completing the coversheet. If you have completed the coversheet without registering and logging in, you will not be able to save your progress.

If you wish to exit the coversheet without saving click the 'Cancel' button.

A screenshot of a software interface showing a 'Continue' button on the left and a 'Cancel' button on the right. The 'Cancel' button is highlighted with a red box.

Part 2: Completing the coversheet

Overview

The coversheet has five sections:

1. Organisation details
2. Audit findings
3. Financial assessment
4. Specific areas of interest
5. Your details

The coversheet has been designed to be straightforward and intuitive, with help text and images from the online form provided throughout this guide. However, you may need to refer to the notes below when completing each section.

To make the process more efficient for you please round financial numbers to the nearest thousand, and do not use commas, noughts or pound signs, for example, '£50,131' should be entered as '50'. Except for current liabilities, enter negative financial numbers to the nearest thousand using a minus symbol, and do not use commas, noughts, brackets or pound signs, for example, '£(24,878)' should be entered as '-25'.

1. Organisation details

This section identifies your organisation using the company number. It also asks for the name of your audit firm and confirmation of your accounting officer's name.

Company number

You can get this from the front page and / or balance sheet page of your accounts. You can also search [Companies House](#) using their beta site or free WebCheck service.

On entering your company number you must click the button 'Search for organisation' to autofill the name of your academy trust.

A screenshot of a web form interface. At the top, there is a label 'Company number *' followed by a text input field outlined in orange. Below the input field is a green rectangular button with white text that reads 'Search for organisation'. The entire button is bordered by a red line.

You should check the organisation name. If it is not correct, you should re-confirm your company number. If the unlikely event your organisation's name does not appear you will need to complete EFA's [enquiry form](#).

Name of audit firm

You can identify your audit firm's name from the 'independent auditor's report on the financial statements' in your accounts. Typing in the name of your audit firm will bring up a suggested list in alphabetical order. Keep typing the first few letters until your audit firm's name is the only one shown, and press tab or click in the next field. If your audit firm's name doesn't appear, complete the field with the full name and click in the next field to continue.

Name and role of accounting officer

Please add the first name and surname of your accounting officer in the box provided and select their most appropriate role from the drop down list provided, usually your trust's principal or chief executive. If you are not sure, you can get this from the 'governance statement' in your accounts.

2. Audit findings

This section asks for information on your independent auditor's overall opinion on your accounts, findings on regularity and control issues, and on modifications to your accounting officer's statement on regularity, propriety and compliance.

Audit opinion

The auditor will give an opinion on your accounts in accordance with [International Standards on Auditing \(ISAs\)](#). You can get this from the 'independent auditor's report on the financial statements' in your accounts.

You should consult with your auditor if you are unsure which opinion has been given, or the basis of any qualification or modification.

Any opinion other than 'unqualified' would also have been raised with your trustees by your auditors. If your auditor has given anything other than an unqualified opinion then you will be prompted to tell us the nature of the qualification or modification, and underlying reason(s) from the list provided.

Auditor's regularity report

Any matters by exception raised by your auditor will be disclosed in the conclusion at the end of the 'independent reporting accountant's assurance report on regularity' in your accounts, as shown below. You will be prompted to tell us the reason(s) your auditors have raised regularity matters from the list provided.

Conclusion

In the course of our work, [except for the matters listed below] nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period [insert the start date of the period for which the financial statements have been prepared] to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

[Matter 1:]

Matter 2:]

**'Independent reporting accountant's assurance report on regularity' – from Coketown model
(in Academies Accounts Direction)**

Statement on regularity, propriety and compliance

Any modifications to your accounting officer's statement on regularity, propriety and compliance will be identified at the end of this statement, as shown below. You will be prompted to tell us the reason(s) for any modified statements from the dropdown list provided.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA:

- Financial issues
[X]
- Non-financial issues
[X]

'Statement on regularity, propriety and compliance' – from Coketown model

Auditor's management letter

You must enter the number of control findings reported by your auditor within their management letter. Where they have reported control findings you will be prompted to provide further information. If they have not reported anything then you should enter '0'.

Where control findings are reported, you must tell us whether your auditor has assigned a priority rating to each finding. For example, the auditor may classify some findings as being of primary importance, high or red risk, or high significance. Where the auditor applies such a rating system, you must tell us how many findings they have assigned the highest priority rating. Please do not enter low, medium, green, amber or equivalent priority ratings in this section.

You must also tell us whether the auditor has noted any instance where timely prior approval had not been obtained from EFA for relevant transactions. Section 9.4.3 of the accounts direction outlines where prior requests for approval are required, including all of the following:

- write-offs over 1% of total income or £45,000 (whichever is smaller)
- acquisitions or disposals of freehold land and buildings
- disposal of heritage assets
- taking up a finance lease
- taking up a leasehold on land and buildings over five years
- any novel and contentious payments, for example, honorarium payments
- non-contractual elements of special payments to staff of £50,000 or more
- borrowing (in the form of loans, overdraft facilities or finance leases)

If prior EFA approval has not been obtained your auditor may recommend you seek retrospective approval. You must tell us about all transactions where timely EFA prior approval had not been obtained, regardless of the authority which followed. You will still need to respond ‘Yes’ where retrospective approval has been requested from EFA but not yet received, and where retrospective approval has subsequently been given.

3. Financial assessment

This section asks for key financial information from your accounts so that we can be assured of ongoing financial health, specifically current assets and current liabilities, and revenue reserves which your trust will carry forward into its next financial year. **You can get all figures from the balance sheet in your accounts.** Enter numbers rounded to the nearest thousand, without commas, noughts or pound sign.

Current assets

This should be a total of current assets, including stock, debtors and cash at bank and in hand (the example below should be entered as ‘342’).

Current assets		
Stock	14	5
Debtors	15	82
Cash at bank and in hand		255
		342

‘Current assets’ – from Coketown model (£’000)

Current liabilities

This should be the value of the line item ‘Creditors: Amounts falling due within one year’ (the example below should be entered as ‘87’ – no minus symbol required).

Liabilities		
Creditors: Amounts falling due within one year	16	(87)

‘Current liabilities’ – from Coketown model (£’000)

Restricted general fund

This fund, typically used to cover your academy trust's running costs, would include government funding and may include other funds from sponsors or donors. Your trust may call this fund something slightly different, but you must enter the equivalent restricted revenue fund total, shown as '165' in the example below.

Unrestricted general fund

Amounts in this fund are available for general revenue use, and may have been generated by the trust through donations which did not specify conditions or restrictions on their use. Your trust may call this fund something slightly different, and some trusts may have more than one unrestricted general fund, but you must enter the equivalent of the unrestricted funds total, shown as '90' in the example below.

Funds of the academy trust:		
Restricted funds		
. Fixed asset fund	18	10,518
. General fund	18	165
. Pension reserve	18	(1,054)
Total restricted funds		9,629
Unrestricted income funds		
. General fund	18	90
Total unrestricted funds		90
Total funds		9,719

'Funds of the academy trust' – from Coketown model (£'000)

Do not include your trust's non-revenue funds such as fixed asset or pension funds when entering figures for both restricted general or unrestricted general funds. We are required to provide assurance on the financial health of the sector and using revenue resources available for running costs is a key means for us to do so. More guidance on funds is in section 6.2.6 of the [Academies Accounts Direction](#).

4. Specific areas of interest

This section asks for information on specific areas of your accounts, namely severance payments, related party transactions and changes of members or trustees. Please round and abbreviate all numbers to the nearest thousand, and do not use the comma, noughts or pound sign (for example, you should input £6,401 as '6').

Severance payments

HM Treasury requires EFA to review a sample of severance payments to ensure trusts are following correct procedures prior to making such payments. The sample includes

non-statutory / non-contractual payments that require EFA approval and those that do not require EFA approval.

You must tell us the value of your trust's total restructuring costs. This can be found from the 'Staff' note of your academy trust's accounts.

Supply staff costs	-
Staff restructuring costs	40
	<u>3,434</u>

Section a. of the 'Staff' note – from Coketown model (£'000)

You must also tell us whether you have made any non-statutory / non-contractual severance payments during the period, irrespective of value. If so you will be prompted to tell us the total amount of non-statutory / non-contractual severance payments, the total number of individual payments, and the individual values, limited to the top five payments. You can get this information from the 'Staff' note in your accounts.

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £15,000 [2014: £nil]. Individually, the payments were £1,000, £4,000, £4,000 and £6,000.

Section b. of the 'Staff' note – from Coketown model

You should not assume that your staff restructuring costs are entirely made up of non-statutory / non-contractual severance payments. Most severance payments to employees will include statutory / contractual elements which must not be included. In the above example it would be reasonable to assume that as £15,000 of the total staff restructuring costs of £40,000 is accounted for by non-statutory / non-contractual severance payments, that the balance of £25,000 is attributable to statutory / contractual elements.

Related party transactions

Our focus is on related party transactions involving expenditure by trusts, though we also ask two questions about income related party transactions. You can get this information from the 'related party transactions' note in your trust's accounts, though you may need to perform some addition of amounts to reach the figures required.

You must tell us whether you have entered into any related party transactions during the period. If you answer 'Yes' we ask you to provide the total expenditure with all related parties, and the number of expenditure transactions disclosed in your accounts. You will then be prompted to provide further details about your trust's top five expenditure transactions, namely value and sector (such as private company, local authority etc).

A typical example of an expenditure related party transaction is an academy trust purchasing goods or services, supplied by an organisation in which its director and

academy trust trustee is the same individual. In the example below we would expect you to record '35' for the value and 'private company' as the sector.

DEF Limited – a company in which Mr C J Goodyear (a trustee of the trust) has a majority interest:

- The trust purchased computer equipment from DEF Limited totalling £35,000 (2014: £nil) during the period. There were no amounts outstanding at 31 August 2015 (2014: £nil)
- The trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr Goodyear neither participated in, nor influenced
- In entering into the transaction the trust has complied with the requirements of EFA's Academies Financial Handbook

'Related party transaction' note – from Coketown model

The final two questions are concerned with income related party transactions and we ask you to provide the total income from related parties, and the number of income related party transactions disclosed in your accounts. An example of an income related party transaction is where an academy trust receives cash from its sponsor.

In completing this section please do not include trustees' remuneration and expenses which are dealt with under a separate note to the accounts.

Governance changes

You must tell us about your total number of members and trustees, and summary information about the number of incoming or outgoing trustees and members. You can get this information from the 'Reference and administrative details' section of your accounts.

Members Include members in office on the date the financial statements are approved and any others who served during the year. This is an additional disclosure requirement in the Accounts Direction to promote transparency.	D Black A Cook S Martin (until 30 April 2015) T South (from 30 April 2015) C Turner
Trustees Include trustees in office on the date the financial statements are approved and any others who served during the year.	P S Small (chairman) C J Goodyear K Harris (appointed 2 March 2015) A McGuire (responsible officer) L Miller J Murray (staff trustee) O Reville (resigned 1 February 2015) T Sheraton A Smith (staff trustee) G Smith (principal and accounting officer) C Wilkins P H Daniels
Company Secretary	

'Reference and administrative details' section – from Coketown model

We would expect an academy trust with the above extract from their accounts to identify: a total of 5 members and 12 trustees; the resignation of 1 member and 1 trustee; and appointment of 1 member and 1 trustee. It is important that you understand the differences between member and trustee which we define in the [Academies Financial Handbook](#). You must also inform Companies House of governance changes through their website: [Tell Companies House about changes to your limited company](#).

Multi-academy trust (MAT) disclosure

The coversheet will automatically detect whether your trust is a MAT based on your company number. If so, you must tell us whether your MAT charges its constituent academies for central services. You will be prompted to tell us the total value of this charge. You can get this information from the ‘central services’ note in your trust’s accounts. We will also ask you to tell us on what basis your MAT calculates the charge for central services.

The actual amounts charged during the year were as follows:	
	2015 £000
Boomtown Academy	30
Hopetown Academy	20
Newtown Academy	61
	<hr/>
	111

‘Central Services’ note – from Coketown model

We also ask you to tell us how many of the constituent academies in your MAT are reporting revenue fund balance deficits. You can get this information from the ‘analysis of academies by fund balance’ section of the ‘Funds’ note in your trust’s accounts.

Analysis of academies by fund balance	
Fund balances at 31 August 2015 were allocated as follows:	
	Total £000
Boomtown Academy	300
Hopetown Academy	155
Newtown Academy	(205)
Central services [if applicable]	5
Total before fixed assets and pension reserve	<hr/> 255
Restricted fixed asset fund	10,518
Pension reserve	(1,054)
Total	9,719
Newtown Academy is carrying a net deficit of £205k on these funds because:	

Additional ‘Funds’ note for MATs – from Coketown model

5. Your details

This section asks for details of the person submitting the coversheet in case we need to contact you with queries. This does not have to be the accounting officer.

Declaration

Prior to submission, you must confirm that you have completed the coversheet to the best of your knowledge and that you have submitted or will submit the trust's audited accounts and auditor's management letter by 31 December 2015.

Submitting the coversheet

At the bottom of this section you have the option to submit the coversheet and access a printable version. If you need a draft version of the coversheet before you submit, click the 'Printable Version' button and print / save a copy. Selecting Cancel will result in the loss of the coversheet.

Submit	Printable Version	Cancel
------------------------	-----------------------------------	------------------------

Confirmation of receipt

Following submission, you will receive a confirmation email. This will include a PDF copy of your coversheet. Depending on the level of internet traffic, there may be a slight delay in receiving this email. Please also check your junk / spam email folders if appropriate.

Using Document Exchange

Part 1: Access and navigation

Access

Once you have submitted your accounts submission coversheet you will be given a link to Secure Access. Click on the link to EFA's Information Exchange. From here you will be able to access the Document Exchange.

Registering and logging in

All EFA-funded organisations should have access to the Secure Access system. If you don't, please log a [Secure Access service request](#).

Folder structure

You should upload your audited accounts and auditor's management letter to the following sub-folder, which will already be set up:

Finance and Payments > AY 2014-15

Once logged in, you will need to go to the Finance and Payments folder first, and then select AY 2014-15:

The screenshot shows a computer window titled "Document Exchange". At the top, it says "Use Document Exchange to send and receive documents securely with the EFA, and to access an audit trail of your interactions with us." Below this is a table listing four folders:

Type	Name	Author	Created	Last Modified
Folder	Capital Funding	admin	20/5/2014 3:16 PM	8/9/2015 5:09 PM
Folder	Contracts and Compliance	admin	20/5/2014 3:16 PM	8/9/2015 5:09 PM
Folder	Finance and Payments	admin	20/5/2014 3:16 PM	8/9/2015 5:09 PM
Folder	Other Submissions	admin	20/5/2014 3:16 PM	8/9/2015 5:09 PM

The screenshot shows a 'Document Exchange' interface with a navigation bar at the top. Below the title 'Document Exchange' is a subtitle: 'Use Document Exchange to send and receive documents securely with the EFA, and to access an audit trail of your interactions with us.' The main area displays a list of folders in a table format. The columns are: Type, Name, Author, Created, and Last Modified. The table contains four rows:

Type	Name	Author	Created	Last Modified
Folder	AY 2013-14	admin	20/5/2014 3:16 PM	20/5/2014 3:16 PM
Folder	AY 2014-15	admin	20/5/2014 3:16 PM	20/5/2014 3:16 PM
Folder	AY 2015-16	admin	15/12/2014 8:23 PM	15/12/2014 8:23 PM
Folder	AY 2016-17	admin	8/9/2015 5:09 PM	8/9/2015 5:09 PM

If you are a MAT, you will have access to a folder for each of your constituent academies, in addition to a folder with the same name as your MAT. **You must use the MAT folder and not a folder for one of your constituent academies.**

Once in the correct folder, you are ready to submit your documents.

Part 2: Submitting your documents

Document requirements

To avoid delays in processing your accounts and additional queries and follow up, it is important to use the instructions and naming conventions below.

Format

You must scan the signed versions of your audited accounts and auditor's management letter into PDF format. Your audited accounts should form one PDF file and your auditor's management letter should form a separate PDF file.

Please check that all pages are included within both scanned PDF files and are readable.

Naming convention

You must name your documents according to our standard convention.

For your audited accounts use:

Company number Trust name 1415 FinStat

For the auditor's management letter use:

Company number Trust name 1415 ManLet

Naming convention – examples

The accounts direction provides model accounts for Coketown Academy Trust Limited (company number: 01234567). That trust would submit the following two documents:

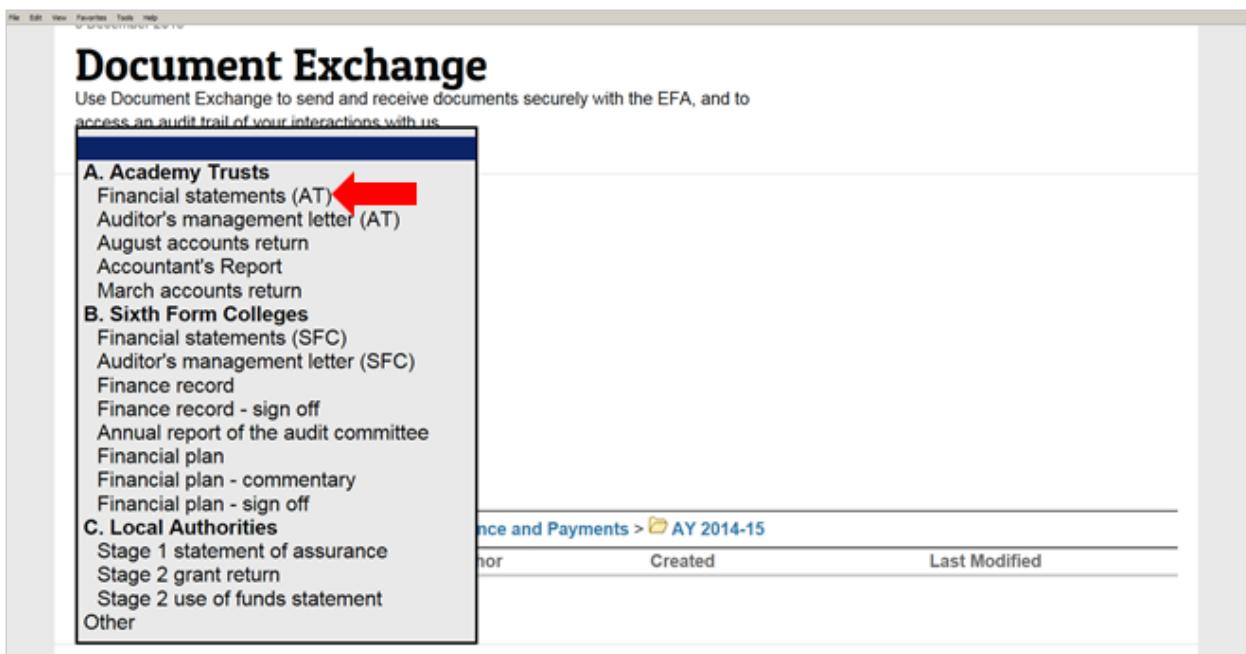
- 01234567 Coketown Academy Trust 1415 FinStat
- 01234567 Coketown Academy Trust 1415 ManLet

How to upload your documents

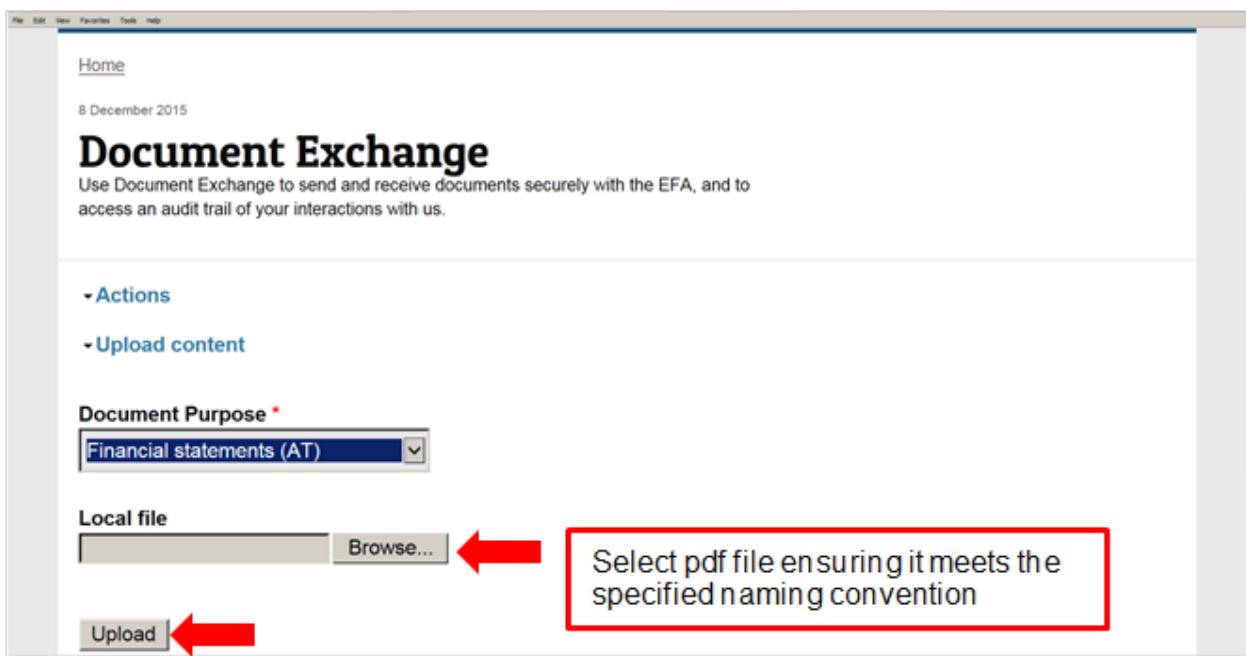
Select **Actions**, and then click on **Upload Content**. A **Document Purpose** drop-down box will appear:

The screenshot shows a web-based document exchange interface. At the top, there's a navigation bar with links like 'File', 'Edit', 'View', 'Favorites', 'Tools', and 'Help'. Below the navigation, the title 'Document Exchange' is displayed in large bold letters. A sub-instruction reads: 'Use Document Exchange to send and receive documents securely with the EFA, and to access an audit trail of your interactions with us.' On the left, a sidebar lists 'Actions' and 'Upload content'. The main area contains a form with fields: 'Document Purpose *' (with a red arrow pointing to the dropdown menu), 'Local file' (with a 'Browse...' button), and an 'Upload' button at the bottom.

Select **Financial Statements (AT)** from the dropdown list and then upload your financial statements:



Browse for your file, then select **Upload**.



You will need to repeat these steps for your auditor's management letter: ie select **Auditor's Management Letter (AT)** from the drop-down list and then upload your file.

The Document Purpose box was added to the system on 16 December 2015. If you had already submitted your documents before that date, you don't need to submit them again.

Confirmation of receipt

Once you have submitted your documents, they will be visible within Document Exchange. You will receive no further confirmation of receipt.

Other considerations

These submission arrangements do not remove the requirement for you to publish your accounts on your trust's website by end January 2016, and to file your accounts with Companies House no later than end of May 2016.

Queries

If you have a technical issue with the accounts submission coversheet, please submit an [online feedback form](#). You must select the accounts submission cover from the drop-down list of online forms.

Please refer to the guidance if you have a [technical issue](#) with Document Exchange. You can also [view a video](#) on accessing EFA's Information Exchange.

Please use EFA's [enquiry form](#) if you have queries about submitting your accounts that have either not been answered within this guide or the [Academies Accounts Direction](#).



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